

R.O. Draft 1/5-1967
Rev. W.O. 3-31-67

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

Contract No.
14-06-200-4019A

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND FRESNO
SLOUGH WATER DISTRICT PROVIDING FOR WATER SERVICE AND FOR
ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS

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1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 Central Valley Project, California

5 CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND
6 FRESNO SLOUGH WATER DISTRICT PROVIDING FOR WATER SERVICE AND
7 FOR ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS

8 THIS CONTRACT, made this 30th day of July,
9 1968, in pursuance generally of the Act of June 17, 1902 (32 Stat. 388),
10 and acts amendatory thereof or supplementary thereto, all collectively
11 hereinafter referred to as the Federal reclamation laws, between THE
12 UNITED STATES OF AMERICA, hereinafter referred to as the United States,
13 and the FRESNO SLOUGH WATER DISTRICT, hereinafter referred to as the
14 District, a political subdivision of the State of California, duly
15 organized, existing, and acting pursuant to the laws thereof, with
16 its principal place of business in Tranquillity, California,

17 WITNESSETH, That:

18 EXPLANATORY RECITALS

19 WHEREAS, the United States is constructing and operating
20 the Central Valley Project, California, for the purpose, among others,
of furnishing water for irrigation, municipal, domestic, and other
beneficial uses; and

1 WHEREAS, the United States has constructed the Delta-Mendota
2 Canal which will be operated and used, in part, for the furnishing of
3 water to the District from Mendota Pool pursuant to the terms of this
4 contract; and

5 WHEREAS, investigations of the District lands and present
6 water supply indicate that irrigated and irrigable lands within
7 the boundaries of the District are at present in need of additional
8 water for irrigation, and that an additional water supply to meet
9 these present and potential needs can be made available by and
10 through the works constructed and to be constructed by the United
11 States; and

12 WHEREAS, the District desires to contract, pursuant
13 to the Federal reclamation laws and the laws of the State of California,
14 for the furnishing by the United States of a supplemental water
15 supply from the Central Valley Project for which the District
16 will make payment to the United States upon the basis, at the
17 rates, and pursuant to the conditions hereinafter set forth; and

18 WHEREAS, the District on behalf of individuals owning
19 lands lying within the District adjacent to Fresno Slough has
20 asserted claims that the construction and operation of the Central
21 Valley Project has interfered with claimed rights in and to the
22 use of the waters of the San Joaquin River by impairing the quantity

1 thereof, and the District is authorized and willing to accept
2 an annual delivery of eight hundred and sixty-six (866) acre-feet
3 of water from Mendota Pool as an adjustment and settlement of
4 these asserted claims; and

5 WHEREAS, the District desires, in these circumstances,
6 to purchase a firm supply of Central Valley Project water; and

7 WHEREAS, investigations of the streamflow in the Sacramento
8 River, the Trinity River, the American River, and the San Joaquin
9 River and their tributaries indicate that there will be available
10 for furnishing to the District from Mendota Pool an additional
11 water supply for surface diversion and direct application for
12 irrigation; and

13 WHEREAS, the United States is willing to furnish water
14 service to the District from Mendota Pool, subject to the terms
15 and conditions following;

16 NOW, THEREFORE, in consideration of the mutual and dependent
17 covenants herein contained, it is mutually agreed as follows:

18 DEFINITIONS

19 1. When used herein, unless otherwise distinctly expressed
20 or manifestly incompatible with the intent hereof, the term:

21 (a) "Secretary" or "Contracting Officer" shall mean
22 the Secretary of the United States Department of the Interior
23 or his duly authorized representative;

1 (b) "Project" shall mean the Central Valley Project,
2 California, of the Bureau of Reclamation;

3 (c) "Schedule 2 water" shall mean all water delivered
4 without charge under the authority of Section 14 of the
5 Reclamation Project Act of 1939 (53 Stat. 1187, 1197) as a
6 permanent adjustment and settlement of the District's
7 asserted claims of rights to water in Fresno Slough tributary
8 to the San Joaquin River in fulfillment of such rights, pursuant
9 to Contract No. Iir-1145, "Contract for Purchase of Miller &
10 Lux Water Rights" dated July 27, 1939;

11 (d) "supplemental water" shall mean all Project water
12 in addition to Schedule 2 water delivered or required to be
13 delivered under the terms and conditions of this contract;

14 (e) "year" shall mean the calendar year;

15 (f) "agricultural use" shall mean use of water primarily
16 in the commercial production of agricultural crops or livestock,
17 including domestic use incidental thereto, on tracts of land
18 operated in units of more than two (2) acres; and

19 (g) "municipal, industrial, and domestic use" shall
20 mean use of water other than for agricultural use.

21 TERM OF CONTRACT--RIGHT TO USE OF WATER

22 2. (a) This contract shall be effective on the date first
23 hereinabove written and insofar as it pertains to the furnishing
24 of supplemental water shall remain in effect through December 23, 2003:

1 Provided, That under terms and conditions mutually agreeable
2 to the parties hereto, renewals of this contract for furnishing
3 of supplemental water may be made for successive periods not to
4 exceed forty (40) years each. The terms and conditions of each
5 renewal shall be agreed upon not later than one (1) year prior
6 to the expiration of the then existing contract: Provided further,
7 That upon written request by the District of the Secretary not
8 later than one (1) year prior to expiration of this contract,
9 whenever, account being taken of the amount then credited to the
10 costs of construction of water supply works allocated to irrigation,
11 the remaining amount of costs so allocated which is properly assignable
12 for ultimate return by the District as established by the Secretary
13 of the Interior pursuant to (3) of Section 1 of Public Law 84-643
14 (70 Stat. 483) probably can be repaid to the United States within
15 the term of a contract under subsection (d), Section 9 of the
16 1939 Reclamation Project Act (53 Stat. 1187), this contract insofar
17 as it pertains to the furnishing of supplemental water for agricultural
18 use may be converted to a contract under said subsection (d) upon
19 terms and conditions mutually agreeable to the United States and
20 the District.

21 (b) The right to the beneficial use of supplemental
22 water furnished to the District pursuant to the terms of Article 3

1 and other applicable provisions of this contract and any renewal
2 thereof, shall not be disturbed so long as the District shall
3 fulfill all of its obligations under this contract and any such
4 renewal.

5 WATER TO BE FURNISHED TO THE DISTRICT

6 3. (a) Each year, commencing with the year following that
7 in which this contract is executed, the United States shall furnish
8 to the District eight hundred and sixty-six (866) acre-feet of
9 Schedule 2 water at times and in quantities called for as provided
10 in subdivision (a) of Article 4 hereof under the following basic
11 table:

12	<u>Month</u>	<u>Quantities in Acre-Feet</u>
13	January	0
14	February	16
15	March	55
16	April	125
17	May	200
18	June	295
19	July	145
20	August	20
21	September	10
22	October	0

1	November	0
2	December	<u>0</u>
3	Total	866:

4 Provided, That in any year when (1) the forecasted full natural
5 inflow to Shasta Lake for the current water year (October 1 of
6 the preceding year through September 30 of the current year),
7 as such forecast is made by the United States, on or before February 15,
8 and reviewed as frequently thereafter as conditions and information
9 warrant, is equal to or less than three million two hundred thousand
10 (3,200,000) acre-feet, or (2) the total accumulated actual deficiencies
11 below four million (4,000,000) acre-feet in the immediately prior
12 water year or series of successive prior water years, each of
13 which had inflows of less than four million (4,000,000) acre-feet,
14 together with the forecasted deficiency for the current water
15 year, exceed eight hundred thousand (800,000) acre-feet, the United
16 States shall furnish to the District six hundred and seventy-three
17 (673) acre-feet of Schedule 2 water at times and in quantities
18 called for as provided in subdivision (a) of Article 4 hereof
19 under the following basic table:

20	<u>Month</u>	<u>Quantities in Acre-Feet</u>
21	January	0
22	February	13

1	March	40
2	April	100
3	May	155
4	June	230
5	July	115
6	August	15
7	September	5
8	October	0
9	November	0
10	December	<u>0</u>
11	Total	673

12 For the purpose of determining (1) and (2) set out above, the
13 computed inflow to Shasta Lake under present upstream development
14 above Shasta Lake shall be used as the full natural inflow to
15 Shasta Lake. In the event that major construction completed
16 above Shasta Lake after September 1, 1963, materially alters
17 the present regimen of the stream systems contributing to Shasta
18 Lake, the computed inflow to Shasta Lake will be adjusted to eliminate
19 the effect of such material alterations. The United States will
20 select the forecast to be used and will submit the details of
21 the forecast to the District. The same forecasts used by the
22 United States for the operation of the Project shall be used to

1 make the forecasts hereunder. Schedule 2 water made available
2 by the United States for furnishing to the District in accordance
3 with the aforesaid schedule and not accepted by the District shall
4 be deemed to have been accepted by the District at the time and
5 in the quantities specified in said schedule.

6 (b) Commencing with the year following that in which
7 this contract is executed and each year thereafter during the
8 remainder of the term of this contract, the United States shall
9 furnish to the District and the District shall accept and pay
10 for four thousand (4,000) acre-feet of supplemental water from
11 Mendota Pool at the times and in the quantities specified in the
12 schedule submitted by the District in accordance with subdivision (a)
13 of Article 4 hereof: Provided, That the parties hereto may at
14 any time or times by mutual agreement increase or decrease the
15 quantity of supplemental water required thereafter to be furnished
16 each year to the District by the United States during the remaining
17 years of the term of this contract.

18 (c) To the extent that additional Project water is available,
19 as determined by the Contracting Officer, and in the event the
20 District in any year requires a quantity of supplemental water
21 in addition to the quantity it is obligated to accept and pay
22 for, such additional water shall be furnished by the United States

1 in accordance with a schedule revision submitted pursuant to Article 4.
2 The furnishing by the United States and acceptance by the District
3 of such additional quantities of water shall neither entitle nor
4 obligate the District to receive such quantities in subsequent
5 years.

6 (d) If in any year, after the Contracting Officer has
7 approved a schedule or any revision thereof submitted by the District
8 pursuant to Article 4 hereof, the United States is unable to furnish
9 any portion of supplemental water in the quantities and at the
10 times requested in the schedule and the District does not elect
11 to receive and does not receive such water at other times during
12 such year, the District shall be entitled to an adjustment as
13 provided in Article 6.

14 TIME FOR DELIVERY OF WATER--RESALE

15 4. (a) Before January 1 of each year the District shall
16 submit a schedule in writing to the Contracting Officer subject
17 to the provisions of Article 3 hereof and satisfactory to the
18 Contracting Officer, indicating the desired times and quantities
19 for the delivery of all water pursuant to this contract during
20 such year. In such schedule or revision thereof, the District
21 may reallocate the quantities of Schedule 2 water for the months
22 of February through June appearing in the applicable table in

1 subdivision (a) of Article 3 hereof so long as the total for such
2 months does not thereby exceed the total for such months in that
3 table. Within the provisions hereof the United States shall attempt
4 to deliver such water in accordance with said schedule or any
5 revision thereof satisfactory to the Contracting Officer submitted
6 by the District within a reasonable time before the desired change
7 of times or quantities, or both, for delivery, subject to the
8 provisions of subdivision (b) of Article 8 hereof: Provided,
9 That the United States shall not be obligated to deliver water
10 to the District during the months of December and January.

11 (b) With the written consent of the Contracting Officer
12 the District may exchange supplemental water in any year with
13 any other district which has contracted with the United States
14 for water for irrigation from the Delta-Mendota Canal or Mendota
15 Pool, or both. No supplemental water shall be sold or otherwise
16 disposed of for use outside the District without the written con-
17 sent of the Contracting Officer.

18 RATE AND METHOD OF PAYMENT FOR WATER

19 5. (a) Unless the Contracting Officer by written notice
20 before December 15 of any year shall notify the District of a
21 decrease in the rate of payment to be made by the District for
22 supplemental water to be delivered pursuant to this contract during

1 the ensuing year, the rate shall be Three Dollars and Fifty Cents
2 (\$3.50) per acre-foot.

3 (b) The District shall make payments to the United States
4 each year at the rate fixed as provided in subdivision (a) of this
5 article for the quantity of supplemental water which the District is
6 required to accept and pay for during such year pursuant to the
7 provisions of Article 3 hereof. Prior to the delivery of supplemental
8 water but no later than February 15 the District shall pay one-half
9 (1/2) of the amount payable for said water scheduled for the year
10 and shall pay the remainder of the amount payable for said water
11 at the time the quantity furnished to the District equals the
12 quantity for which payment has been made, but in no event later
13 than July 1 of each year. Supplemental water requested by the
14 District and available for furnishing by the United States in
15 excess of the quantity required to be furnished pursuant to this
16 contract shall be paid for by the District at the time or times
17 such requests are made.

18 (c) In event the District is unable, fails, or refuses
19 to accept delivery of the quantities of water available for delivery
20 and required to be accepted or paid for pursuant to this contract
21 or in the event the District in any year fails to submit a schedule
22 for delivery as provided in subdivision (a) of Article 4 hereof,
23 said inability, failure, or refusal shall not relieve the District

1 of its obligation to pay for said water and the District agrees
2 to make payment therefor in the same manner as if said water had
3 been delivered and accepted in accordance with this contract.

4 ADJUSTMENTS

5 6. The amount of any overpayment by the District by reason
6 of the quantity of supplemental water actually available for the
7 District during any year, as conclusively determined by the Contracting
8 Officer, having been less than the quantity of such water which
9 the District otherwise under the provisions of this contract would
10 have been required to receive and pay for shall be applied first
11 to any accrued indebtedness arising out of this contract then
12 due and owing to the United States by the District and any amount
13 of such overpayment then remaining shall, at the option of the
14 District, be refunded to the District or credited upon amounts
15 to become due to the United States from the District under the
16 provisions hereof in the ensuing year.

17 POINTS OF DELIVERY--MAINTENANCE OF FLOWS AND LEVELS--MEASUREMENT
18 AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

19 7. (a) The water to be furnished to the District pursuant
20 to this contract shall be delivered from Mendota Pool at diversion
21 points mutually agreed upon by the Contracting Officer and the
22 District.

23 (b) All water furnished pursuant to this contract shall
be measured by the United States at the points of delivery established

1 pursuant to subdivision (a) of this article with equipment installed,
2 operated, and maintained by the United States. Upon the request of
3 the District the accuracy of such measurements shall be investigated
4 by the Contracting Officer and any errors appearing therein adjusted.

5 (c) The United States shall not be responsible for the
6 control, carriage, handling, use, disposal, or distribution of water
7 which may be furnished at the delivery points established pursuant
8 to subdivision (a) of this article, nor for claim of damage of any
9 nature whatsoever, including but not limited to property damage,
10 personal injury or death, arising out of or connected with the control,
11 carriage, handling, use, disposal, or distribution of such water beyond
12 such delivery points: Provided, That the United States reserves the
13 right to the use of all waste, seepage, and return-flow water derived
14 from supplemental water furnished to the District hereunder which
15 escapes or is discharged beyond the District's boundaries and nothing
16 herein shall be construed as an abandonment or a relinquishment by
17 the United States of the right to use any such water, but this shall
18 not be construed as claiming for the United States any right, as
19 waste, seepage, or return flow, to water being used pursuant to this
20 contract for surface irrigation or underground storage within the
21 District's boundaries by the District or those claiming by, through,
22 or under the District.

1 (d) The United States may temporarily discontinue or
2 reduce the quantity of water to be furnished to the District as
3 herein provided for the purpose of such investigation, inspection,
4 maintenance, repair, or replacement as may be reasonably necessary
5 of any of the Project facilities used for the furnishing of water to
6 the District or any part thereof, but so far as feasible the United
7 States shall give the District due notice in advance of such temporary
8 discontinuance or reduction, except in case of emergency, in which
9 case no notice need be given. When service is resumed, to the extent
10 it may be possible to do so and within the ability of the District to
11 accept it, the United States shall deliver the quantity of water which
12 would have been furnished to the District in the absence of such
contingency.

14 UNITED STATES NOT LIABLE FOR WATER SHORTAGE

15 8. (a) There may occur at times during any year a shortage in
16 the quantity of water available for furnishing to the District through
17 and by means of the Project, but in no event shall any liability accrue
18 against the United States or any of its officers, agents, or employees
19 for any damage, direct or indirect, therefrom. In any year in which
20 there may occur such a shortage, the United States will furnish
21 Schedule 2 water in accordance with Article 3 hereof and reserves the
22 right to apportion the available supplemental water supply among the

1 District and others entitled under the then existing contracts to
2 receive water from the Delta-Mendota Canal or Mendota Pool, or both,
3 in accordance with conclusive determinations of the Contracting
4 Officer, as follows:

5 (i) A determination shall be made of the total
6 quantity of supplemental water agreed to be accepted during
7 the respective year under all contracts then in force for the
8 delivery of water from the Delta-Mendota Canal or Mendota
9 Pool, or both, the quantity so determined being hereinafter
10 referred to as the contractual commitments;

11 (ii) A determination shall be made of the total
12 quantity of water from the Delta-Mendota Canal or Mendota
13 Pool, or both, which is in excess of the quantity necessary
14 to meet the requirements of the Amended Contract for Exchange
15 of Waters, No. Iir-1144, dated March 17, 1956, as amended,
16 hereinafter referred to as the Exchange Contract, and which
17 is available for meeting the contractual commitments, the
18 quantity so determined being hereinafter referred to as the
19 available supply;

20 (iii) The total quantity of supplemental water agreed
21 to be furnished to the District by the United States during the
22 respective year under Article 3 hereof shall be divided by the

1 contractual commitments, the quotient thus obtained being here-
2 inafter referred to as the District's contractual entitlement; and

3 (iv) The available supply shall be multiplied by the
4 District's contractual entitlement and the result shall be the
5 quantity of supplemental water required to be delivered by the
6 United States to the District for the respective year.

7 Insofar as determined by the Contracting Officer to be practicable,
8 in the event a shortage appears probable the United States shall notify
9 the District of such determination in advance of the irrigation season.

10 (b) In the event that in any year there is delivered to
11 the District, by reason of any shortage or apportionment as provided
12 in subdivision (a) of this article or any discontinuance or reduction
13 of service as set forth in subdivision (d) of Article 7 hereof, less
14 than the quantity of supplemental water which the District otherwise
15 would be entitled to receive, there shall be made an adjustment on
16 account of the amounts paid to the United States by the District for
17 water for said year in a manner similar to that provided for in
18 Article 6 hereof. To the extent of such deficiency, such adjustment
19 shall constitute the sole remedy of the District or anyone having or
20 claiming to have by, through, or under the District the right to the
21 use of any of the water supply provided for herein.

22 (c) The rights of the District to supplemental water under
23 this contract are subject to the terms of the Exchange Contract.

1 MUNICIPAL, INDUSTRIAL, AND DOMESTIC USE OF WATER FURNISHED TO DISTRICT

2 9. (a) Supplemental water furnished in accordance with Article 3
3 of this contract is for agricultural use but may be furnished by the
4 District for municipal, industrial, and domestic use subject to the
5 terms and conditions hereinafter stated.

6 (b) Within thirty (30) days after a statement therefor has
7 been furnished to the District by the United States, the District shall
8 pay for the quantity of supplemental water so used for municipal,
9 industrial, and domestic purposes an additional amount per acre-foot
10 equal to the difference between the rate paid for said water for
11 agricultural use and Ten Dollars (\$10).

12 (c) Supplemental water furnished by the District pursuant
13 to this article shall be measured by the District with equipment installed,
14 operated, and maintained by the District. Said equipment and its installation,
15 service, and use shall be approved by the Contracting Officer. The
16 United States shall have full and reasonable access at all reasonable
17 times to inspect said measuring equipment for the purpose of determining
18 the accuracy and condition thereof, and any errors in measurement dis-
19 closed by said inspection shall be adjusted. If said facilities are
20 found to be defective or inaccurate they shall be readjusted, repaired,
21 or replaced by the District. In the event the District neglects or
22 fails to make such repairs or replacements within a reasonable time as

1 may be necessary to satisfy the operating requirements of the
2 Contracting Officer, the United States may cause the repairs or
3 replacements to be made and the costs thereof charged to the
4 District, which charge the District shall pay to the United States
5 before April 1 of the year following that in which the cost was
6 incurred and a statement thereof furnished by the United States.

7 (d) The District shall maintain, in a manner satis-
8 factory to the Contracting Officer, records of the quantity of
9 supplemental water furnished for use pursuant to subdivision (a)
10 of this article and shall submit a report to the United States
11 before the 7th day of each month following the month in which water
12 is so furnished showing the quantities of water used.

13 (e) It is understood and agreed that use of water pur-
14 suant to this article shall not be construed in any manner as to
15 constitute a right or commitment during the term of this contract
16 or any renewal thereof for delivery of water in addition to that
17 provided pursuant to Article 3 hereof.

18 QUALITY OF WATER

19 10. (a) The quality of water furnished under this contract
20 shall be the best that the United States, following its established
21 operating procedures, can deliver by means of either the Delta-
22 Mendota Canal or the San Joaquin River or both and shall be at all

1 times suitable irrigation water for use upon the lands served by
2 the District. The fact that the requirements of such water quality
3 are herein stated only in terms of parts per million of total dis-
4 solved solids should not be construed as meaning that this particular
5 measurement of water quality is the sole indication of requisite
6 water quality. The best data presently available on the character
7 of the possible sources of water supplying the Delta-Mendota Canal
8 indicate that as concentration changes there will be no significant
9 change in the character of the water with respect to the proportions
10 of the various constituents. However, if such water meets the fol-
11 lowing specific requirements it shall be deemed conclusively to be
12 suitable irrigation water hereunder:

13 (i) Daily: The quality of water shall not exceed a
14 mean daily value of eight hundred (800) parts per million of
15 total dissolved solids. The mean daily values are to be com-
16 puted by weighting the instantaneous values on the basis of
17 time of occurrence during each day;

18 (ii) Monthly: The quality of water shall not
19 exceed a mean monthly value of six hundred (600) parts per
20 million of total dissolved solids. The mean monthly value
21 is to be computed by weighting each mean daily value of
22 total dissolved solids on the basis of the quantity of water
23 delivered each day of the month;

1 (iii) Annual: The quality of water shall not exceed
2 a mean annual value during the year of four hundred and fifty
3 (450) parts per million of total dissolved solids. The mean
4 annual value is to be computed by weighting each mean daily
5 value of total dissolved solids on the basis of quantity of
6 water delivered each day of the year; and

7 (iv) Five-year: The average quality of water for
8 any five (5) consecutive years shall not exceed a mean value
9 of four hundred (400) parts per million of total dissolved
10 solids. The 5-year average shall be computed by weighting
11 each mean daily value of total dissolved solids on the basis
12 of quantity of water delivered each day of the five (5) con-
13 secutive years ending with the last year of the period.

14 (b) The quality of water delivered from the San Joaquin
15 River shall be determined at the present location of the Whitehouse
16 gaging station, and from the Delta-Mendota Canal shall be measured by
17 a salinity recorder as presently installed in said Canal. The quality
18 determination made at said gaging station and the rating of said recorder
19 shall be from bottle samples taken twice each month from which total dis-
20 solved solids will be determined by chemical analysis. When water is
21 being delivered from the Delta-Mendota Canal and from the San Joaquin
22 River simultaneously, the quality of all water so delivered shall be

1 determined by computing the weighted average quality of all water so
2 delivered. All quality determinations shall be made by the Contracting
3 Officer.

4 WATER POLLUTION CONTROL

5 11. The District agrees that it will comply fully with all
6 applicable Federal laws, orders, and regulations, and the laws of the
7 State of California, all as administered by appropriate authorities,
8 concerning the pollution of streams, reservoirs, groundwater, or
9 water courses with respect to thermal pollution or the discharge of
10 refuse, garbage, sewage effluent, industrial waste, oil, mine tailings,
11 mineral salts, or other pollutants. The District further agrees that
12 any contract it may enter into with a third party for the furnishing
13 of project water will contain a similar water pollution control article.

14 DRAINAGE STUDIES AND FACILITIES

15 12. To aid in determining the source and solution of future
16 potential drainage problems the District shall, in a manner satis-
17 factory to the Contracting Officer, maintain a grid of observation
18 wells and shall furnish annually to the Contracting Officer during
19 the term of this contract and any renewal thereof records and
20 analyses of well readings as they relate to potential drainage
21 problems. When a continuing rise in the groundwater indicates the

1 need therefor, the District shall construct drainage works to protect
2 the irrigability of lands within the District.

3 WATER RIGHTS SETTLEMENT

4 13. Neither the District nor any landowner therein shall divert,
5 dispose of, or otherwise use San Joaquin water under any claim of
6 water rights so long as the United States delivers or is ready, able,
7 and willing to deliver to the District Schedule 2 water in accordance
8 with the terms of this contract. Performance by the United States of
9 its obligations hereunder with respect to the delivery of Schedule 2
10 water shall release the United States from liability with respect to
11 such claims.

2 ACCESS TO FRESNO SLOUGH

13 14. To the extent the District has the power to grant such use,
14 the United States, its employees, and its agents may use the roads
15 within the District as the same may exist from time to time for
16 ingress and egress to and from Fresno Slough.

17 CHARGES A GENERAL OBLIGATION--LEVIES THEREFOR

18 15. (a) The District as a whole is obligated to pay to the
19 United States the charges becoming due as provided in this contract
20 notwithstanding the default in the payment to the District by indi-
21 vidual water users of assessments, tolls, or other charges levied
22 by the District.

1 (b) The District will cause to be levied and collected
2 all necessary assessments, tolls, and other charges, and will use
3 all of the authority and resources of the District to meet its
4 obligations hereunder.

5 ALL BENEFITS CONDITIONED UPON PAYMENT

6 16. Should any assessment or assessments required by the terms
7 of this contract and levied by the District against any tract of land
8 or water user in the District and necessary to meet the obligations
9 of the District hereunder be judicially determined to be irregular
10 or void, or should the District or its officers be enjoined or restrained
11 from making or collecting any assessments upon such land or from such
12 water user as provided for herein, then such tract shall have no right
13 to any supplemental water furnished to the District pursuant to this
14 contract, and no supplemental water made available by the United States
15 pursuant hereto shall be furnished for the benefit of any such lands
16 or water users, except upon the payment by the landowner of his
17 assessment or a toll charge for such water, notwithstanding the
18 existence of any contract between the District and the owner or owners
19 of such tract. Contracts, if any, between the District and the water
20 users involving supplemental water furnished pursuant to this contract
21 shall provide that such use shall be subject to the terms of this
22 contract. It is further agreed that the payment of charges at the

1 rate and upon the terms and conditions provided for herein is a
2 prerequisite to the right to the use of supplemental water furnished
3 to the District pursuant to this contract, and no irregularity in
4 levying taxes or assessments by the District nor lack of authority
5 in the District, whether affecting the validity of District taxes
6 or assessments or not, shall be held to authorize or permit any
7 water user of the District to demand supplemental water made avail-
8 able pursuant to this contract, unless charges at the rate and upon
9 the terms and conditions provided therefor by the District have
10 been paid by such water user.

11 REFUSAL OF WATER IN CASE OF DEFAULT

12 17. No supplemental water shall be furnished to the District
13 or by the District to or for the use of any lands or parties therein
14 during any period in which the District may be in arrears in the
15 advance payment of charges accruing under this contract. No supple-
16 mental water shall be furnished to or by the District pursuant
17 to this contract to parties who are in arrears in the payment
18 to the District of any assessments, rates, tolls, or rental
19 charges of the District levied or established by the District and
20 necessary for the purpose of raising revenues to meet the payment
21 by the District to the United States of the District's obligation
22 under this contract.

1 by inclusion or exclusion of lands, by dissolution, consolidation,
2 or merger or otherwise, except upon the Contracting Officer's
3 written consent thereto.

4 (b) In the event lands are annexed to or excluded from
5 the District as provided herein, the parties hereto may by supple-
6 mental agreement increase or decrease the quantity of supplemental
7 water which is to be furnished by the United States to the District.

8 LANDS NOT TO RECEIVE WATER FURNISHED TO DISTRICT BY UNITED STATES
UNTIL OWNERS THEREOF EXECUTE CERTAIN CONTRACTS

9 21. (a) No supplemental water made available pursuant to this
10 contract shall be furnished to any excess lands as defined in Article 23
11 hereof unless the owners thereof shall have executed valid recordable
12 contracts in form prescribed by the United States, agreeing to the
13 provisions of this article and Articles 22 and 23 of this contract,
14 agreeing to the appraisal provided for in Article 22 hereof, and that
15 such appraisal shall be made on the basis of the actual bona fide
16 value of such lands at the date of the appraisal without reference
17 to the construction of the Project, all as hereinafter provided, and
18 agreeing to the sale of such excess lands under terms and conditions
19 satisfactory to the Secretary and at prices not to exceed those fixed
20 as hereinafter provided. No sale of any excess lands shall carry the
21 right to receive supplemental water made available pursuant to this

1 contract unless and until the purchase price involved in such sale
2 is approved by the Contracting Officer, and upon proof of fraudulent
3 representation as to the true consideration involved in such sales
4 the United States may instruct the District by written notice
5 to refuse to furnish any supplemental water subject to this contract
6 to the land involved in such fraudulent sales and the District
7 thereafter shall not furnish said water to such lands.

8 (b) If supplemental water furnished to the District
9 pursuant to this contract reaches the underground strata of excess
10 land owned by a large landowner, as defined in subdivision (a)
11 of Article 23 hereof, who has not executed a recordable contract
12 and the large landowner pumps such supplemental water from the
13 underground, the District will not be deemed to have furnished
14 such water to said lands within the meaning of this contract if
15 such water reached the underground strata of the aforesaid excess
16 land as an unavoidable result of the furnishing of supplemental
17 water by the District to nonexcess lands or to excess lands with
18 respect to which a recordable contract has been executed.

19 VALUATION AND SALE OF EXCESS LANDS

20 22. (a) The value of the excess irrigable lands within
21 the District held in private ownership of large landowners as
22 defined in the next succeeding article hereof, for the purposes

1 of this contract, shall be appraised in a manner to be prescribed
2 by the Secretary. At the option of a large landowner, however,
3 the value of such land may be appraised, subject to the approval
4 thereof by the Secretary, by three appraisers. One of said appraisers
5 shall be designated by the Secretary and one shall be designated
6 by the District and the two appraisers so appointed shall name
7 the third. If the appraisers so designated by the Secretary and
8 the District are unable to agree upon the appointment of the third,
9 the Presiding Justice of the Fifth District Court of Appeal of
10 the State of California shall be requested to designate the third
11 appraiser.

12 (b) The following principles shall govern the appraisal:

13 (i) No value shall be given such lands on account
14 of the existing or prospective possibility of securing supplemental
15 water from the Project; and

16 (ii) The value of improvements on the land at
17 the time of said appraisal shall be included therein, but
18 also shall be set forth separately in such appraisal.

19 (c) The excess land of any large landowner shall be
20 reappraised at the instance of the United States or at the request
21 of said landowner. The cost of the first two appraisals of each
22 tract of excess land shall be paid by the United States. The

1 cost of each appraisal thereafter shall be paid by the party
2 requesting such appraisal.

3 (d) Any improvements made or placed on the appraised
4 land after the appraisal hereinabove provided for prior to sale
5 of the land by a large landowner shall be appraised in like manner.

6 (e) Excess irrigable lands sold by large landowners
7 within the District shall not carry the right to receive supple-
8 mental water made available pursuant to this contract for such
9 lands and the District agrees to refuse to furnish such water to
10 lands so sold until, in addition to compliance with the other
11 provisions hereof, a verified statement showing the sale price upon
12 any such sale shall have been filed with the District and said sale
13 price is not in excess of the appraised value fixed as provided
14 herein.

15 (f) The District agrees to take all reasonable steps
16 requested by the Contracting Officer to ascertain the occurrence
17 and conditions of all sales of irrigable land of large landowners
18 in the District made subsequent to the execution of this contract
19 and to inform the United States concerning the same.

20 (g) A true copy of this contract, of each recordable
21 contract executed pursuant to this article and Articles 21 and 23
22 hereof, and of each appraisal made pursuant thereto shall be furnished

1 to the District by the United States and shall be maintained on
2 file in the office of the District and like copies in such offices
3 of the Bureau of Reclamation as may be designated by the Contracting
4 Officer and shall be made available for examination during the usual
5 office hours by all persons who may be interested therein.

6 EXCESS LANDS

7 23. (a) As used herein, the term "excess land" means that
8 part of the irrigable land served by the District in excess of one
9 hundred and sixty (160) acres held in the beneficial ownership of
10 any single person, whether a natural person, a corporation, or the
11 beneficiary of a trust approved by the Contracting Officer. With
12 respect to land held in coownership, such as a partnership, tenancy
13 in common, joint tenancy, or community property, the beneficial
14 ownership of each coowner shall be that fraction of the total acreage
15 held in coownership which equals the coowner's fractional interest
16 therein. The term "large landowner" means an owner of excess lands,
17 and the term "nonexcess land" means all irrigable land served by
18 the District which is not excess land as defined herein.

19 (b) Each large landowner as a further condition precedent
20 to the right to receive supplemental water made available pursuant
21 to this contract for any of his excess land shall:

1 (i) Before any supplemental water is furnished by
2 the District to his excess land, execute a valid recordable
3 contract in form prescribed by the United States, agreeing to
4 the provisions contained in this article and Articles 21 and
5 22 hereof and agreeing to dispose of his excess land in
6 accordance therewith to persons who can take title thereto as
7 nonexcess land as herein provided and at a price not to exceed
8 the approved, appraised value of such excess land and within a
9 period of ten (10) years after the date of the execution of said
10 recordable contract and agreeing further that if said land is not
11 so disposed of within said period of ten (10) years, the Secretary
12 shall have the power to dispose of said land at the appraised value
13 thereof fixed as provided herein or such lower price as may be
14 approved by the owner of such land, subject to the same conditions
15 on behalf of such large landowner; and the District agrees that
16 it will refuse to furnish said water to any large landowner other
17 than for his nonexcess land until such owner meets the conditions
18 precedent herein stated;

19 (ii) Within thirty (30) days after the date of notice
20 from the United States requesting such large landowner to designate
21 his irrigable lands within the District which he desires to desig-
22 nate as nonexcess lands, file in the office of the District, in

1 duplicate, one copy thereof to be furnished by the District to
2 the Bureau of Reclamation, his written designation and description
3 of lands so selected to be nonexcess land and upon failure to do
4 so the District shall make such designation and mail a notice
5 thereof to such large landowner, and in the event the District
6 fails to act within such period of time as the Contracting Officer
7 considers reasonable, such designation will be made by the
8 Contracting Officer, who will mail a notice thereof to the District
9 and the large landowner. The large landowner shall become bound
10 by any such action on the part of the District or the Contracting
11 Officer and the District will furnish said water only to the land
12 so designated to be nonexcess land. A large landowner may, with
13 the consent of the Contracting Officer, designate land other than
14 that previously designated as nonexcess land: Provided, That an
15 equal acreage of the land previously designated as nonexcess shall,
16 upon such new designation, become excess land thereafter subject
17 to the provisions of this article and Articles 21 and 22 of this
18 contract and shall be described in an amendment of such recordable
19 contract as may have been executed by the large landowner in the
20 same manner as if such land had been excess land at the time of
21 the original designation.

22 AMENDMENT OF FEDERAL RECLAMATION LAWS

23 24. In the event that the Congress of the United States repeals
24 the so-called excess-land provisions of the Federal reclamation

1 laws, Articles 21, 22, and 23 of this contract will no longer be
2 of any force or effect, and, in the event that the Congress amends
3 the excess-land provisions or other provisions of the Federal
4 reclamation laws, the United States agrees, at the option of the
5 District, to negotiate amendments of appropriate articles of this
6 contract, all consistently with the provisions of such repeal
7 or amendment.

8 WATER ACQUIRED BY DISTRICT OTHER THAN FROM THE UNITED STATES

9 25. (a) Supplemental water furnished pursuant to the terms
10 of this contract may be transported by means of the same distribution
11 facilities used for Schedule 2 water and other water now available
12 or which may become available to the District or landowners within
13 the District other than pursuant to the terms of this contract
14 for the reason that the Contracting Officer has determined that
15 such mingling is necessary to avoid a duplication of facilities.
16 Notwithstanding such mingling of water, the provisions of this
17 contract relating to supplemental water shall be applicable to
18 the quantity of supplemental water furnished to the District pursuant
19 to the terms hereof, but such mingling of water shall not in any
20 manner subject to the provisions of this contract relating to
21 supplemental water any Schedule 2 water or any other quantity
22 of water acquired by or available to the District or landowners
23 within the District other than from the United States.

1 (b) With respect to the distribution facilities or
2 portions thereof in which mingling is permitted as provided in
3 subdivision (a) hereof, the District:

4 (i) Will be responsible for the operation and
5 maintenance of separate outlets from the distribution system
6 for nonexcess and excess lands as defined in Article 23 hereof.
7 At the request of the Contracting Officer, the District will
8 be responsible for the installation, operation, and maintenance
9 of water-measuring equipment at delivery points to excess
10 lands and, further, will be responsible for the installation,
11 operation, and maintenance of similar equipment for measuring
12 the water available to the District or landowners within
13 the District other than supplemental water and the Contracting
14 Officer may check and inspect said equipment at any time;
15 and

16 (ii) Agrees that the quantity of supplemental
17 water furnished to it by the United States during each 24-hour
18 period will be delivered by the District only to eligible
19 land through the aforesaid outlets to eligible lands. The
20 District shall be deemed to be in breach of this article
21 and Articles 21, 22, and 23 of this contract if at any time
22 there is furnished to all excess lands not covered by recordable

1 contracts and served by the distribution facilities or portions
2 thereof in which mingling is permitted, a quantity of water
3 which is greater than the Schedule 2 water and that which
4 the District or landowners within the District have introduced
5 into said system from the supply available other than the
6 supplemental supply pursuant to this contract. For purposes
7 of this article only, the quantity of Schedule 2 water for
8 each 24-hour period in any month shall be derived by dividing
9 the Schedule 2 water for that month by the number of days
10 in that month: Provided, That in August and September the
11 District may schedule releases in specific quantities of
12 supplemental water and Schedule 2 water within the entitlements
13 for each month.

14 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

15 26. The expenditure of any money or the performance of any
16 work by the United States hereunder which may require appropriation
17 of money by the Congress or the allotment of funds shall be contingent
18 upon such appropriation or allotment being made. The failure
19 of the Congress so to appropriate funds or the absence of any
20 allotment of funds shall not relieve the District from any obligations
21 then accrued under this contract and no liability shall accrue
22 to the United States in case such funds are not appropriated or
23 allotted.

1 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

2 29. The provisions of this contract shall apply to and
3 bind the successors and assigns of the parties hereto, but no
4 assignment or transfer of this contract or any part or interest
5 therein shall be valid until approved by the Secretary.

6 REMEDIES UNDER CONTRACT NOT EXCLUSIVE--WAIVERS

7 30. Nothing contained in this contract shall be construed
8 as in any manner abridging, limiting, or depriving the United
9 States of any means of enforcing any remedy, either at law or
10 in equity, for the breach of any of the provisions hereof which
11 it would otherwise have. Any waiver at any time by either party
12 to this contract of its rights with respect to a default, or
13 any matter arising in connection with this contract, shall not
14 be deemed to be a waiver with respect to any subsequent default
15 or matter.

16 DETERMINATIONS

17 31. (a) Where the terms of this contract provide for action
18 to be based upon the opinion or determination of either party
19 to this contract, whether or not stated to be conclusive, said
20 terms shall not be construed as permitting such action to be
21 predicated upon arbitrary, capricious, or unreasonable opinions
22 or determinations.

1 organization, proceedings, and contract shall have been so confirmed
2 by a court of competent jurisdiction or pending appellate action in
3 any court if ground for appeal be laid.

4 CIVIL RIGHTS ACT OF 1964

5 34. (a) The District hereby agrees that it will comply with
6 Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all
7 requirements imposed by or pursuant to the Department of the Interior
8 Regulation (43 CFR 17) issued pursuant to that title, to the end
9 that, in accordance with Title VI of that Act and the Regulation,
10 no person in the United States shall, on the ground of race, color,
11 or national origin be excluded from participation in, be denied the
12 benefits of, or be otherwise subjected to discrimination under any
13 program or activity for which the District receives financial assis-
14 tance from the Bureau of Reclamation and hereby gives assurance
15 that it will immediately take any measures to effectuate this agreement.

16 (b) If any real property or structure thereon is provided
17 or improved with the aid of Federal financial assistance extended
18 to the District by the Bureau of Reclamation, this assurance obli-
19 gates the District, or in the case of any transfer of such property,
20 any transferee for the period during which the real property or
21 structure is used for a purpose involving the provision of similar
22 services or benefits. If any personal property is so provided, this

1 assurance obligates the District for the period during which it
2 retains ownership or possession of the property. In all other
3 cases, this assurance obligates the District for the period during
4 which the Federal financial assistance is extended to it by the
5 Bureau of Reclamation.

6 (c) This assurance is given in consideration of and for
7 the purpose of obtaining any and all Federal grants, loans, contracts,
8 property, discounts, or other Federal financial assistance extended
9 after the date hereof to the District by the Bureau of Reclamation,
10 including installment payments after such date on account of arrange-
11 ments for Federal financial assistance which were approved before
12 such date. The District recognizes and agrees that such Federal
13 financial assistance will be extended in reliance on the representa-
14 tions and agreements made in this assurance, and that the United
15 States shall reserve the right to seek judicial enforcement of this
16 assurance. This assurance is binding on the District, its successors,
17 transferees, and assignees.

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IN WITNESS WHEREOF, the parties hereto have executed this contract the day and year first above written.

Rita Surjer
Appd. Sec. Off.

THE UNITED STATES OF AMERICA

By *G.F. Sullivan*
Acting Regional Director, Region 2
Bureau of Reclamation

FRESNO SLOUGH WATER DISTRICT

By *Martin Costales*
President

(SEAL)

Attest:

Harry Marchini
Secretary

1 FRESNO SLOUGH WATER DISTRICT

2 RESOLUTION NO. 68-2

3
4 WHEREAS, the FRESNO SLOUGH WATER DISTRICT and the UNITED
5 STATES OF AMERICA have negotiated a water service contract; and

6 WHEREAS, said contract is entitled "R. O. Draft 1/5-1967, Rev. W.
7 O. 3/31-1967, UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU
8 OF RECLAMATION, Central Valley Project, California, CONTRACT
9 BETWEEN THE UNITED STATES OF AMERICA AND FRESNO SLOUGH WATER
10 DISTRICT PROVIDING FOR WATER SERVICE AND FOR ADJUSTMENT AND
11 SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS"; and

12 WHEREAS, said contract has heretofore been approved as to form;
13 and

14 WHEREAS, the California Districts Securities Commission has
15 issued its report authorizing the execution of said contract by the District;
16 and

17 WHEREAS, it is to the best interest of the District that said contract
18 be executed and that an action for confirmation thereof by instituted.

19 NOW, THEREFORE, BE IT RESOLVED:

20 1. That the President and Secretary of the FRESNO SLOUGH WATER
21 DISTRICT are authorized, empowered and directed to execute said contract
22 on behalf of said District.

23 2. That after execution of said contract by the UNITED STATES,
24 that the Secretary of the District, and DENSLow GREEN, the attorney for
25 the District, are authorized, empowered and directed to file and prosecute
26 to a final decree, including any appeal therefrom to the highest Court of the
27 State of California, a special proceeding for the judicial examination,
28 approval and confirmation of the proceedings had for the organization of the
29 District and the proceedings of the Board of Directors and the District lead-
30 ing up to and including the making of said contract and the validity of the
31 provisions thereof.
32

1 The foregoing Resolution was unanimously duly and regularly adopted
2 at a regular meeting of the Board of Directors of the FRESNO SLOUGH
3 WATER DISTRICT, held on the 12th day of July, 1968, at the office of said
4 District, upon the motion of Director Harry Marchini, seconded by Director
5 Marvin Davis, upon the following vote:

6 AYES: Directors Harry Marchini, Marvin Davis, Pete Marchini and
7 Martin Costales.

8 NOES: Directors - None

9 ABSENT: Director - Joe Machado

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/s/ Harry Marchini
Secretary
FRESNO SLOUGH WATER DISTRICT

Approved:

/s/ Martin Costales
President

I hereby certify that the foregoing is a true and correct copy of the
Resolution duly and regularly adopted by the Board of Directors of the
FRESNO SLOUGH WATER DISTRICT at their regular meeting held on
July 12, 1968.

Dated: July 12, 1968.

Harry Marchini
Secretary
FRESNO SLOUGH WATER DISTRICT